

December 31, 2001

Ms. Karin M. Pisiewski  
Division of Energy Resources  
70 Franklin Street 7<sup>th</sup> Floor  
Boston, MA. 02110-1313

**Re:     Discount Rate Outreach Efforts**

Dear Ms. Pisiewski:

Massachusetts Electric Company and Nantucket Electric Company (together "Mass. Electric" or the "Company") is hereby respectfully submitting to the Division Of Energy Resources a report of the implementation of the Discount Rate Outreach efforts for 2001.

Attached please find Mass. Electric's report that details the varied efforts that the Company undertook in its commitment to reach customers who are eligible for the discount rate.

Thank you for the opportunity to provide this information. If you wish any clarifications or have any questions, please do not hesitate to call me at (508) 357-4715.

Very truly yours,

Lori A. Shimko  
Senior Analyst, Billing & Systems

cc: B. Hassan  
D. Falkowski  
M. Sorgman

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**Discount Rate Outreach Efforts**

Massachusetts Electric Company and Nantucket Electric Company (together “Mass. Electric” or the “Company”) supply the Department of Revenue (“DOR”) with discount rate applications along with educational Rate R-2 discount rate information. The goal of this effort was to facilitate reaching the working poor and those assisted by the Child Support Division. This outreach will continue to be done through the Company’s commitment to send the discount rate applications to the DOR annually.

Mass. Electric continues to include discount rate information in bill newsletters or bill messages. Using newsletters and bill messages is the strongest avenue for informing consumers of the availability of the discount rate as they are the most frequently read communication pieces. In January and February, stand-alone Rate R-2 discount rate bill inserts were mailed to all customers detailing the rate and its eligibility criteria. In addition, the Rate R-2 discount rate was detailed in an insert mailed to all Standard Offer customers notifying them of the increase in the Standard Offer Service rate. In June, Summary of Rates inserts were mailed to all new customers detailing the Rate R-2 discount rate and eligibility criteria. In addition, stand-alone Rate R-2 discount rate bill inserts were mailed to all customers detailing the rate and eligibility criteria. In July and August, Summary of Rates inserts were again mailed to all new customers detailing the Rate R-2 discount rate and eligibility criteria. In September and October, a second round of stand-alone Rate R-2 discount rate bill inserts were mailed to all customers detailing the rate and eligibility criteria. In addition, a third mailing of the Summary of Rates inserts were sent to all new customers detailing the Rate R-2 discount rate and eligibility criteria. And finally, a fourth mailing of the Summary of Rates inserts were mailed to all new customers detailing the Rate R-2 discount rate and eligibility criteria in November.

The Company mailed over 400 educational point-of-purchase displays that explained the availability of the discount rate to appropriate governmental agencies (Massachusetts Department of Transitional Assistance, Massachusetts Department of Housing and Community Development, Massachusetts Department of Veteran Services, and the U.S. Social Security Administration), all payment agencies, and various community libraries.

Discount rate eligibility guideline information appears on the Company's web sites, [www.masselectric.com](http://www.masselectric.com) and [www.nantucketelectric.com](http://www.nantucketelectric.com), so that customers as well as organizations can have easy access to the scope of the discount rate eligibility details as well as the ability to print the discount rate application online.

Mass. Electric's Customer Service Representatives provide information regarding the expanded availability of the discount rate to all new customers applying for service. All Customer Service Representatives have been and continue to be trained and updated on providing current information to new customers as well as address questions that any customer or organization may have.

The Company has expanded its "Welcome Package" program, which details many of our programs, outage numbers, etc. This package contains a dedicated page that explains the discount rate and its eligibility requirements. This package is now mailed to all new residential customers statewide.

When completing Mass. Electric's annual Fuel Assistance audit in September, instead of simply removing customers from the discounted rate, the Company issued a letter and a discount rate application to affected customers giving them an additional two weeks to re-certify for the discount rate if they qualified under another means tested program.

In an effort to place customers on the discount rate that may not have submitted an application, the Company compares lists from benefit agencies. Mass. Electric receives lists from all the benefit agencies through which a customer can become eligible. Should a name appear on the list and the customer not be served on Rate R-2, the Company assigns them to the rate without further inquiry or need for documentation.

**Summary of Yearly Outreach Efforts**

- **January 2001** – Customer Service Representatives provide information regarding the availability of the discount rate to all new customers applying for service, and any requests for such information for any customer and/or support organization. This is done on an on going basis.

Discount rate eligibility guideline information appears on our web sites, [www.masselectric.com](http://www.masselectric.com) and [www.nantucketelectric.com](http://www.nantucketelectric.com), so that customers as well as organizations can have easy access to the scope of the discount rate eligibility details as well as the ability to print the discount rate application online.

Rate R-2 discount rate stand-alone insert was mailed.

Rate R-2 discount rate information was mentioned in Standard Offer bill insert.

- **February 2001** – Rate R-2 discount rate stand-alone insert was mailed.
- **June 2001** – Rate R-2 discount rate information was included in Summary of Rates insert with translation information. This is done on an on-going basis to all new customers.
- Rate R-2 discount rate stand-alone insert was mailed.
- **July 2001** - “Welcome Package” program, which details of many of the Company’s programs, outage numbers, etc., was expanded and is now mailed to all new residential customers statewide. This package contains a dedicated page that explains the discount rate and its eligibility requirements. This is done on an on-going basis to all new customers.
- **August 2001** – Annual Rate R-2 discount rate information was included in Summary of Rates insert with translation information.
- **September 2001** – Rate R-2 discount rate stand-alone insert was mailed.

Fuel Assistance Audit - Mailed to affected customers a letter and a discount rate application giving them an additional two weeks to re-certify for the discount rate if they qualified under another means tested program before being dropped from the discount rate.

- **October 2001** – Rate R-2 discount rate stand-alone insert was mailed.
- **December 2001** - Mailed educational point-of-purchase displays, explaining the availability of the discount rate, to appropriate governmental agencies (Mass. Department of Transitional Assistance, Mass. Department of House & Community Development, Mass. Department of Veteran Services and the US Social Security Administration), all payment agencies and various community libraries.

A supply of discount rate applications along with educational Rate R-2 information was mailed to the Department of Revenue (“DOR”) to facilitate reaching the working poor and those assisted by the Child Support Division.

**Discount Rate Eligibility Verification**

The Company will continue to use its established verification programs when interacting with the larger agencies.

- A) For verifying Massachusetts Department of Transitional Assistance (“DTA”) clients, the Company will continue to use a mailing house in conjunction with the verification and notification steps outlined in DOER’s Guidelines Memorandum dated December 14, 1998.
- B) For verifying Low Income Home Energy Assistance Program (“LIHEAP”), the Company will continue to transmit to and receive lists from these agencies for verification of their clients.

As an alternative to the above, for smaller agencies, the Company will use its Rate R-2 discount rate application as a means to reach all eligible customers.

The Company will distribute the discount rate applications to agencies in its service territory. It is Mass. Electric’s intention that the agency will stamp this application with the appropriate agency stamp and distribute these applications to new and eligible customers. Customers would complete appropriate information required on the application and return the completed application to the Company. Under this process, the customer is already pre-approved by the appropriate agency and the customer would immediately qualify to receive service under the discount rate.

Annual verification would be as outlined in DOER’s Guidelines Memorandum dated December 14, 1998.

In circumstances in which a customer is denied eligibility for the discount rate by one agency, the Company will continue to take reasonable steps to notify the customer and inform them of other agencies or options available to them. In addition, Mass. Electric will also encourage customers to provide the Company

with alternate types of low-income certification to enable the Company to complete the application and apply the Rate R-2 discount rate to the qualifying customers in a timely manner.

**Number of Discount Rate Customers**

	<u>December 1999</u>	<u>December 2000</u>	<u>December 2001</u>
Massachusetts Electric Co.	48,473	58,890	71,009
Nantucket Electric Co.	42	55	68

**Number of Discount Rate Customers from Each Referral Agency or Program (December 2001)**

	<u>Agency/Program</u>	<u>#Customers</u>
Massachusetts Electric Co.	Application Pending	730
	Application Pending / EEAP	83
	Public Housing	1,026
	Head Start	112
	National School Breakfast/Lunch	752
	Pharmacy Program	1
	Other	59
	Supplemental Security Income (SSI)	4,332
	SSI / Fuel Assistance	2,466
	SSI / Mass Health	494
	Public Assistance / Mass Health	549
	Blind - Medical / SSI	99
	Veterans Service Benefits	212
	Public Assistance	4,773
	Fuel Assistance	43,044
	Fuel / Public Assistance	3,524
	Mass Health	6,622
	Mass Health / Fuel Assistance	2,131
	Total	71,009
Nantucket Electric Co.	Public Housing	8
	National School Breakfast/Lunch	1
	Supplemental Security Income (SSI)	2
	SSI / Fuel Assistance	3
	Veterans Service Benefits	11
	Public Assistance	5
	Fuel Assistance	27
	Fuel / Public Assistance	1
	Mass Health	8
	Mass Health / Fuel Assistance	2
	Total	68



**Additional Outreach Not Required By the Guidelines**

The following represents additional efforts that the Company employs to further communication the discount rate availability to eligible customers. These efforts have been mentioned earlier in the Company's report, but are outlined in this section to further identify Mass. Electric's efforts which extend beyond the DOER's guidelines.

Discount rate eligibility guideline information is displayed on the Company's web sites, [www.masselectric.com](http://www.masselectric.com) and [www.nantucketelectric.com](http://www.nantucketelectric.com). Criteria for discount rate eligibility and appropriate utility telephone numbers are clearly defined for customers and any agency or organization assisting in the educational outreach to eligible customers. Mass. Electric has also added the functionality that allows customers as well as organizations to print the discount rate application online. The discount rate application includes translation information.

In continuing to provide a cooperative exchange of information between the Company and its customers, Customer Service Representatives provide information regarding the expanded availability of the discount rate to all new customers applying for service, and are trained to ask customers who call with questions regarding arrears if they are aware that the Company offers a discount rate to customers who currently receive specific types of social service program benefits. Depending on the customer's response, the Customer Service Representatives explain the details of the discount rate and send the customer an application.

Mass. Electric works with the Boston Language Institute to include text regarding the discount rate in Spanish and will repeat this message in the bill inserts throughout 2002. In addition, the Company is investigating a cost effective means to promote discount rate outreach in communities where English is a second language.

Mass. Electric's annual Fuel Assistance audit was completed in September 2001. Instead of simply removing customers from the discount rate, the Company issued a letter and a discount rate application to affected customers giving them an additional two weeks to re-certify for the discount rate if they qualified under another means tested program.

A Welcome Package is mailed to all new customers statewide. This package contains a page dedicated to the discount rate and its eligibility requirements.

Mass. Electric mailed educational point-of-purchase displays, explaining the availability of the discount rate, to appropriate governmental agencies, as well as various community libraries and payment agencies.

**Outreach Efforts (Success / Barriers)**

Mass. Electric believes its outreach activities, both completed and ongoing, have been successful and will continue to increase the participation in the Rate R-2 discount rate.

Overall, the Company finds most agencies very cooperative in providing assistance with discount rate eligibility verification and outreach.

Barriers the Company faces are in the verification of customers' eligibility for the discount rate Program through the following agencies:

- Public Housing
- School Lunch and Breakfast Programs – Due to these programs being administered within each school or school district, there is a lack of one central location to contact for verification.
- Veterans Chapter 115
- Veterans DIC Surviving Parent
- Veterans Non-Service Pension

When the Company is successful in verifying customers' eligibility for the Rate R-2 discount rate, these agencies will release customer information to us via fax or mail.

There are occasions when the customer eligibility verification process is not completed. This prevents potentially eligible customers from receiving the benefits of the Rate R-2 discount rate. Mass. Electric's intends of elevating this issue so that the Company may expedite serving qualified customers on the discount rate. The Company appreciates any assistance from the DOER in securing the support and assistance of the various agency administrations above, which would result in the Company providing Rate R-2 benefits to eligible customers.

Mass. Electric is proud of its past and on-going educational efforts through the steps that are outlined above, and its 24-hour Customer Service commitment to serving all the electricity needs of its customers.